



August 1, 2009

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve Board
20th and C Streets, NW
Washington, DC 20551

Re: Interim Final Rule Implementing the Credit Card Accountability
Responsibility and Disclosure Act

Dear Chairman Bernanke:

On behalf Right Choice Credit Union, I am writing to you and the entire Board of Governors to respectfully request that the Board delay compliance with the 21-day notice provisions for open-end plans other than credit cards set to take effect August 20, 2009, under the Board's new interim final rule implementing the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). Right Choice Credit Union is in Houston, Texas serving over 18,000 members.

We are facing horrendous problems as we seek to make good faith efforts to comply with the 21-day notice provisions for all open-end plans, which include general lines of credit, lines of credit associated with share draft and checking accounts, signature loans, home equity lines of credit and other types of loans permitted under open-ended lending. That provision prohibits creditors from treating payments as being late, which will mean they cannot file a credit report, must advance additional credit or may not charge a late fee even if the payment was late, unless creditors provide a periodic statement disclosure to members 21 days before the payment due date. We want to comply with all legal requirements, but these provisions have created severe implementation problems that are unprecedented in the credit union system.

As a credit union, we differ from other financial institutions in that they often provide their members with consolidated statements that combine information about all savings, checking, and loan accounts that the member has with the credit union. It is our understanding that our members appreciate and generally prefer consolidated statements, as opposed to receiving multiple statements. Also, members often choose biweekly payments and designate the due dates for their payments, often to coincide with when they receive payroll deposits, all of which will need to be changed in order to comply with these provisions.



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In short, to comply with the 21-day rule, we will be required to dismantle consolidated statement systems and other procedures, which have been in place for decades, in order to provide separate statements for each account.

This will be extremely expensive and these expenses, which will be compounded because of the imminent effective date, will have to be borne by the credit unions' membership. We are also very concerned that for us, it will simply be impossible to comply by August 20th, regardless of the funds that may be devoted to making the necessary changes. We realize there was language included in the Supplementary Information accompanying the rule that sought to provide an option to credit unions to provide a temporary disclosure insert with statements, and we appreciate the effort this represents to address our concerns. However, this option will not provide meaningful relief to us as we are seeking to comply.

In light of these problems, it is critical that the Board use its authority under the Truth in Lending Act, as it has when implementing previous TILA amendments, to allow more time for us to comply with these provisions so we are not subjected to needless legal challenges.

We have been in constant contact with our members to determine how to comply with these requirements in the most expeditious manner. While we urge the Board to provide more time for compliance, we also respectfully request that the Board permit us to continue to utilize consolidated statements by placing on each member's monthly statements the dates on which all covered payments are due in the current month and the next month; this will ensure that members receive at least 21-day notice for all open end payments. This may be the most viable option for achieving compliance for open end plans other than credit cards and could alleviate the need to dismantle credit union systems that utilize consolidated statements. However, even with this option, we will still need additional time to implement the various changes to our systems that will be necessary.

In conclusion, we ask you to at a minimum, delay implementation of the new interim final rule for several months so that these complex issues can be sorted out by credit unions, data processors, and the members. We all need time to comply, this deadline is unreasonable

I appreciate your attention to this very significant issue for credit unions.



Sincerely,

David Bleazard
President and CEO
713-676-8933